

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.1505 Premium finance company; license; revocation or suspension; grounds; hearing; penalty; appeal.

Sec. 1505. (1) The commissioner may revoke or suspend the license of any premium finance company when and if after investigation it appears to the commissioner that:

- (a) Any license issued to such company was obtained by fraud.
- (b) There was any misrepresentation in the application for the license.
- (c) The holder of the license has otherwise shown himself untrustworthy or incompetent to act as a premium finance company.
- (d) The company has violated any of the provisions of this chapter, or the rules and regulations promulgated hereunder.

(e) The company has remunerated any insurance agent or any employee of an insurance agent or to any other person as an inducement to the financing of any insurance policy with the premium finance company. Except, that if the insurance agent prepares the premium finance agreement, the premium finance company may pay him a service fee not to exceed \$2.00.

(2) Before the commissioner revokes, suspends or refuses to renew the license of any premium finance company, he shall give to the person an opportunity to be fully heard and to introduce evidence in his behalf. In lieu of revoking or suspending the license for any of the causes enumerated in this section, after a hearing, the commissioner may subject the company to a penalty of not more than \$200.00 for each offense but the total not to exceed \$1,000.00 when in his judgment he finds that the public interest would not be harmed by the continued operation of the company. The amount of any penalty shall be paid by the company through the office of the commissioner to the state treasury. At any hearing provided by this section, the commissioner shall have authority to administer oaths to witnesses. Anyone testifying falsely, after having been administered such oath, shall be subject to the penalty of perjury.

(3) If the commissioner refuses to issue or renew any license or if any applicant or licensee is aggrieved by any action of the commissioner, the applicant or licensee shall have the right to a hearing and court proceeding as provided for in section 244.

History: Add. 1968, Act 352, Eff. Nov. 15, 1968.

Popular name: Act 218